

14/2015

Maximum : 100 marks

Time : 1 hour and 15 minutes

1. Book-keeping is mainly concerned with :
  - (A) collection of data
  - (B) recording of financial data relating to business operations
  - (C) designing the systems in recording, classifying, summarizing the recorded data
  - (D) interpreting the data for internal and external end-users
  
2. Finding out the difference between the totals of two sides of an account is called :
  - (A) journalizing
  - (B) balancing
  - (C) posting
  - (D) none of these
  
3. The primary function of accounting is to :
  - (A) interpret the financial data
  - (B) recording and classifying business operations
  - (C) assist the management in performing functions effectively
  - (D) summarizing the financial data
  
4. \_\_\_\_\_ provides data about the nature of transactions contained in it.
  - (A) cash book
  - (B) journal
  - (C) ledger
  - (D) source document
  
5. The effect of debit is :
  - (A) increase in income
  - (B) increase in capital
  - (C) increase in liability
  - (D) increase in assets
  
6. The debit balance of personal account shows :
  - (A) amount receivable
  - (B) amount payable
  - (C) cash in hand
  - (D) amount of credit sales
  
7. Things which are purchased by the business for resale is called :
  - (A) assets
  - (B) liability
  - (C) goods
  - (D) income

8. Cash discount allowed to a debtor should credited to :  
(A) customer account (B) discount account  
(C) sales account (D) cash account
9. A person to whom something is owed is called :  
(A) debtor (B) creditor  
(C) owner (D) bank
10. The statement shows the financial position of the business is :  
(A) balance sheet (B) fund flow statement  
(C) profit and loss account (D) cash book
11. The term current assets does not include :  
(A) cash (B) advance payment  
(C) furniture (D) stock-in-trade
12. The basic rule of 'debit what comes in and credit what goes out' is applicable to :  
(A) real account (B) personal account  
(C) nominal account (D) expenses account
13. In case of debt becoming bad, the amount should be credited to :  
(A) creditors account (B) sales account  
(C) debtors account (D) bad debts account
14. The credit balance in the bank account is :  
(A) an asset (B) liability  
(C) revenue (D) expense
15. A reserve is a charger against :  
(A) capital (B) asset  
(C) profit (D) liability
16. The statement containing various ledger balances on a particular date is known as :  
(A) trial balance (B) trading account  
(C) profit and loss account (D) balance sheet
17. The process of transferring journal entries to ledger account is called :  
(A) journalizing (B) balancing  
(C) posting (D) classifying

18. Bank reconciliation statement is prepared by the :
- (A) bank (B) firm  
(C) creditor (D) debtor
19. Window dressing is prohibited due to the convention of :
- (A) accrual concept (B) materiality  
(C) conservatism (D) full disclosure
20. Provision for bad debt is made under the principle of :
- (A) consistency (B) full disclosure  
(C) conservatism (D) materiality
21. A \_\_\_\_\_ is sent to a customer when he returned the goods.
- (A) credit note (B) debit note  
(C) invoice (D) cash memo
22. Assets of the business means :
- (A) liabilities – capital (B) cash + capital  
(C) liabilities + capital (D) capital + drawings
23. Revenue is generally recognized as being earned at the point of time, when :
- (A) sale is effected (B) production is complete  
(C) cash is received (D) purchase is effected
24. Stock in hand is :
- (A) a fixed asset (B) an intangible asset  
(C) an investment asset (D) a current asset
25. Qualitative transactions are not recorded in the accounts due to :
- (A) dual aspect concept (B) accrual concept  
(C) money measurement concept (D) matching principle
26. According to going concern concept, a business is viewed as having \_\_\_\_\_ life.
- (A) a limited (B) an indefinite  
(C) an annual (D) a very long

27. Goods outward journal is meant for recording all returns of goods \_\_\_\_\_ on credit.
- (A) sold (B) purchased  
(C) sent (D) none of these
28. Income tax paid by the sole proprietor on his business income should be :
- (A) debited to the trading account  
(B) debited to the profit and loss account  
(C) deducted from the capital account in the balance sheet  
(D) deducted from the bank account of the business
29. Out standing salaries are shown as :
- (A) an asset (B) a liability  
(C) an income (D) an expense
30. Goods given as sample should be credited to :
- (A) advertisement account (B) sales account  
(C) purchase account (D) capital account
31. Assets which have no real value but are shown in the books of accounts on technical reasons are called :
- (A) tangible assets (B) intangible assets  
(C) wasting assets (D) fictitious assets
32. Copy right is a \_\_\_\_\_ account.
- (A) real account (B) personal account  
(C) nominal account (D) capital account
33. A short description of every transaction made in the journal is called :
- (A) journal folio (B) ledger folio  
(C) narration (D) particulars
34. Proprietor of a business is treated as creditor to the extent of capital, is under the concept of :
- (A) money measurement (B) going concern  
(C) dual aspect (D) business entity
35. Stock in trade does not include :
- (A) work-in-progress (B) raw materials  
(C) items held as fixed assets (D) finished goods

36. The trial balance shows closing stock of Rs. 20,000. It will be recorded in :
- (A) Trading account  
 (B) Profit and loss account  
 (C) Profit and loss appropriation account  
 (D) Balance sheet
37. Municipal tax of Rs. 15,000 under dispute is a :
- (A) Contingent liability  
 (B) Current liability  
 (C) Revenue loss  
 (D) None of these
38. Suspense account Dr. balance Rs.5000 in trial balance, will be recorded in the :
- (A) Liability side of the balance sheet  
 (B) Asset side of the balance sheet  
 (C) Cr. side of the P & L account  
 (D) Dr. side of the P & L account
39. A bank reconciliation statement is prepared to know the causes for the differences between:
- (A) the balances as per cash column of cash book and the pass book  
 (B) the balances as per bank columns of cash book and pass book  
 (C) the balances as per bank column of cash book and cash column of cash book  
 (D) none of these
40. Asset account will always have a :
- (A) debit  
 (B) credit  
 (C) either debit (or) credit  
 (D) no balance
41. Trade discount \_\_\_\_\_ appear in the books of account.
- (A) will  
 (B) will not  
 (C) will (or) will not  
 (D) none of these
42. Credit purchase of furniture are recorded in :
- (A) purchase day book  
 (B) sales day book  
 (C) journal proper  
 (D) none of the above
43. Cash discount is allowed by :
- (A) Wholesaler  
 (B) Debtor  
 (C) Creditor  
 (D) Retailer

44. Sales day book shows :
- |                 |                        |
|-----------------|------------------------|
| (A) total sales | (B) total credit sales |
| (C) cash sales  | (D) net sales          |
45. Petty cash book is prepaid under \_\_\_\_\_ system.
- |            |                |
|------------|----------------|
| (A) Cash   | (B) Imprest    |
| (C) Credit | (D) Mercantile |
46. Special journal is also called :
- |                    |                      |
|--------------------|----------------------|
| (A) Journal proper | (B) Subsidiary books |
| (C) Original books | (D) Ledger           |
47. Rs. 380 received from Roy is credited to his account as Rs. 308, this error is called :
- |                         |                          |
|-------------------------|--------------------------|
| (A) Compensating errors | (B) Errors of principle  |
| (C) Errors of omission  | (D) Errors of commission |
48. Unexpired expenses is a :
- |               |             |
|---------------|-------------|
| (A) Liability | (B) Asset   |
| (C) Income    | (D) Expense |
49. Direct expenses are debited in the :
- |                             |                     |
|-----------------------------|---------------------|
| (A) Balance sheet           | (B) Trial balance   |
| (C) Profit and loss account | (D) Trading account |
50. When both the aspects of a transaction are posted in one account, such an entry is called :
- |                            |                  |
|----------------------------|------------------|
| (A) compound journal entry | (B) contra entry |
| (C) multiple entry         | (D) double entry |
51. The books that record small payment of cash is called :
- |                     |                            |
|---------------------|----------------------------|
| (A) journal         | (B) ledger                 |
| (C) petty cash book | (D) compound journal entry |
52. Sales are equal to :
- |                                       |                                 |
|---------------------------------------|---------------------------------|
| (A) cost of goods sold + profit       | (B) cost of goods sold – profit |
| (C) gross profit – cost of goods sold | (D) none of these               |

53. Source document for purchase returns :
- |                 |                    |
|-----------------|--------------------|
| (A) Debit note  | (B) Credit note    |
| (C) Source note | (D) Journal proper |
54. In the case of overdraft, pass book will show a \_\_\_\_\_ balance.
- (A) credit balance  
 (B) debit balance  
 (C) either debit balance or credit balance  
 (D) no balance
55. Ordinary repairs debited to machinery account is an error of :
- |                        |                         |
|------------------------|-------------------------|
| (A) compensating error | (B) error of commission |
| (C) error of omission  | (D) error of principle  |
56. Depreciation is the process of :
- (A) valuation of asset  
 (B) apportionment of the cost of the asset over its useful life  
 (C) maintenance of asset in a state of efficiency  
 (D) valuation of expense or cost
57. \_\_\_\_\_ is a temporary account opened for making agree the trial balance for the preparation of final accounts.
- |                  |                   |
|------------------|-------------------|
| (A) Current A/c  | (B) Suspense A/c  |
| (C) Personal A/c | (D) Temporary A/c |
58. Similar nature of transactions are grouped into one place is called :
- |             |                   |
|-------------|-------------------|
| (A) journal | (B) trial balance |
| (C) ledger  | (D) voucher       |
59. \_\_\_\_\_ is ascertained by preparing trading A/c.
- |                |                  |
|----------------|------------------|
| (A) Net profit | (B) Gross profit |
| (C) Capital    | (D) Income tax   |
60. Written evidence for a payment of cash is called :
- |             |               |
|-------------|---------------|
| (A) journal | (B) cash book |
| (C) ledger  | (D) voucher   |

61. Allowance made for prompt payment is called :
- |                    |                   |
|--------------------|-------------------|
| (A) Cash allowance | (B) Cash discount |
| (C) Trade discount | (D) Rebate        |
62. Heavy amount spent on advertisement is a \_\_\_\_\_ expenditure.
- |                      |                      |
|----------------------|----------------------|
| (A) capital          | (B) revenue          |
| (C) deferred capital | (D) deferred revenue |
63. Trading account is a \_\_\_\_\_ account.
- |             |                  |
|-------------|------------------|
| (A) real    | (B) personal     |
| (C) nominal | (D) all of these |
64. Capital expenditure are recorded in :
- |                     |                             |
|---------------------|-----------------------------|
| (A) balance sheet   | (B) profit and loss account |
| (C) trading account | (D) manufacturing account   |
65. In sole trader's balance sheet, assets are arranged in the order of :
- |                |                 |
|----------------|-----------------|
| (A) Permanency | (B) Liquidity   |
| (C) Priority   | (D) Flexibility |
66. One sided errors \_\_\_\_\_ affect the agreement of trial balance.
- |               |                  |
|---------------|------------------|
| (A) will      | (B) will not     |
| (C) some time | (D) more or less |
67. Drawing account is a \_\_\_\_\_ account.
- |             |                   |
|-------------|-------------------|
| (A) real    | (B) personal      |
| (C) nominal | (D) none of these |
68. Carriage outward is debited to :
- |                     |                   |
|---------------------|-------------------|
| (A) Trading account | (B) P/L account   |
| (C) Wages account   | (D) Balance sheet |
69. In \_\_\_\_\_ method, depreciation charged in the initial years will be more.
- |                         |               |
|-------------------------|---------------|
| (A) Fixed cost          | (B) Annuity   |
| (C) Diminishing balance | (D) Depletion |



70. The father of financial accounting :
- (A) Luca Paciolo (B) Nicolas Berg  
(C) Edward Johns (D) Henry Fayol
71. Loss of cash by theft committed by cashier after business hours is a :
- (A) Revenue loss (B) Financial loss  
(C) Capital loss (D) Business loss
72. According to conservatism, the stock is valued at :
- (A) Cost price  
(B) Market price  
(C) Cost price or market price whichever is higher  
(D) Cost price or market price whichever is lower
73. AAA stands for :
- (A) Accounts Appraisal Association  
(B) American Accounting Association  
(C) American Association of Accountants  
(D) Asian Accountants Association
74. Goods taken for personal use by proprietor are credited to \_\_\_\_\_ account.
- (A) drawing (B) capital  
(C) purchases (D) sales
75. The term 'Account Receivable' includes :
- (A) Sundry debtors (B) Bill receivable  
(C) Promissory notes (D) All of these
76. \_\_\_\_\_ is the book of original entry.
- (A) Journal (B) Ledger  
(C) Invoices (D) Voucher
77. Trade discount allowed will be :
- (A) debited (B) credited  
(C) both (A) and (B) (D) neither (A) nor (B)

78. GAAP stands for :
- (A) General Agreement on Accounting Principles
  - (B) Generally Accepted Audit Procedures
  - (C) Generally Accepted Accounting Programme
  - (D) Generally Accepted Accounting Principles
79. A petty cash book is aimed to :
- (A) meet the needs of small businesses
  - (B) cover the small expenditure paid in cash
  - (C) cover small and varied incomes
  - (D) cover both small income and expenditure
80. What is the correct sequence of the following in the preparation of Final account?
1. preparation of balance sheet
  2. preparation of ledger accounts
  3. preparation of trial balance
  4. preparation of trading and P & L account
- (A) 4, 2, 1, 3
  - (B) 2, 3, 4, 1
  - (C) 2, 4, 3, 1
  - (D) 1, 2, 3, 4
81. The first meeting of the Indian National Congress was held at :
- (A) Calcutta
  - (B) Bombay
  - (C) Pune
  - (D) Nagpur
82. Who among the following is associated with the founding of the Indian National Army (Azad Hind Fouj)?
- (A) C.R. Das
  - (B) Madan Mohan Malavya
  - (C) Subhash Chandrabose
  - (D) Bhagat Singh
83. Total number of Assembly Constituencies in Kerala is :
- (A) 140
  - (B) 120
  - (C) 136
  - (D) 145
84. Which prominent social reformer of Kerala gave the charismatic slogan, "One caste, One religion and one God for man"?
- (A) Chattampi Swamikal
  - (B) Ayyankali
  - (C) Kumaran Asan
  - (D) Sri. Narayana Guru

85. The famous play 'Adukkalayilninnu-Arangathekku' was written by :
- (A) C. Kesavan (B) V.T. Bhattathirippad  
(C) E.M.S. Namboothirippad (D) Balamani Amma
86. Which of the following is the biggest National Park in Kerala?
- (A) Eravikulam (B) Silent Valley  
(C) Aanamudichola (D) Mathikettanchola
87. Which of the following became the first Governor General of Independent India?
- (A) Muhammad Ali Jinnah (B) Lord Mountbatten  
(C) Dr. Rajendra Prasad (D) C. Rajagopalachari
88. The first rubber plantation in Kerala was planted at which of the following places?
- (A) Kanjirapally (B) Enthayar  
(C) Ponkunnam (D) Changanacherry
89. The custom of ex-communicating Namboothiri women, if they associate themselves with someone out of their caste, is popularly known as :
- (A) Upanayanam (B) Pulappedi  
(C) Smartha Vicharam (D) Samavarthanam
90. Gandhiji's political career started with which of the following movements?
- (A) Non-Co-Operation (B) Civil Disobedience  
(C) Salt Satyagraha (D) Quit-India
91. The capital city of India, Delhi is situated on the banks of which river?
- (A) Satlej (B) Yamuna  
(C) Ganga (D) Beas
92. How many times did the renowned German car racer Michael Schumacher win the formula one car racing championship?
- (A) 5 (B) 6  
(C) 7 (D) 8
93. The person who is described as the 'Missile Woman' of India is :
- (A) Mrs. Kiran Bedi (B) Mrs. Nirupama Rao  
(C) Mrs. Sreelekha IPS (D) Mrs. Tessy Thomas

94. Who among the following acted as the chairman of the drafting committee of the Indian constitution?
- (A) Dr. Rajendra Prasad (B) Sachidanand Sinha  
(C) K.M. Munshi (D) Dr. B.R. Ambedkar
95. The famous Christian Pilgrim Centre at Bharananganam in Kottayam District is associated with :
- (A) Blessed Chavara Kuriakose Elias  
(B) Blessed Alphonsa  
(C) Blessed Sr. Euprasia  
(D) Mother Theresa
96. The religious sect named 'Prathyaksha-Raksha Daivasabha' [PRDS] was founded by :
- (A) Dr. Palpu (B) Thycaud Ayya  
(C) Pandit Karuppan (D) Poikayil Yohannan
97. Which of the following Kerala rivers flows eastwards?
- (A) Pambar (B) Karamanayar  
(C) Manimalayar (D) Neyyar
98. The 'Mac-Mohan line' is the dividing line between :
- (A) India and Afghanistan (B) India and Pakistan  
(C) India and China (D) India and Bangladesh
99. Which Prime Minister of India announced the programme of 'Garibi Hatao' [Remove Poverty]?
- (A) Jawaharlal Nehru (B) Indira Gandhi  
(C) Morarji Desai (D) Narasimha Rao
100. Planning Commission of India came into existence in the year :
- (A) 1950 (B) 1951  
(C) 1952 (D) 1956